THE REPUBLIC OF PANAMA

COUNTRY OVERVIEW
PANAMA FACTS

CAPITAL: Panama City  
CURRENCY: Balboa, United States Dollar  
PRESIDENT: Juan Carlos Varela  
OFFICIAL LANGUAGE: Spanish  
GOVERNMENT: Presidential Representative Democratic Republic  
POPULATION: 3.6 million (2014)

Panama, officially known as the Republic of Panama, is situated in Central America with the Caribbean Sea to the north and the Pacific Ocean to the south. It is bordered by Costa Rica to the west and Colombia to the southeast. Nearly half of the country’s population resides in the capital city of Panama City, making it the largest city in the country.

LAND AND CLIMATE

SIZE: 29,157 square miles, roughly the size of South Carolina

GEOGRAPHY: A central spine of mountains and hills forming the continental divide is a dominant feature of Panama’s landform. As a whole, the stretch of mountain range located between the Costa Rican borer and the Panama Canal is referred to as the Cordillera Central. The country’s highest point is Volcán Barú, which rises to 11,401 feet. Nearly 40 percent of Panama’s land area is covered by tropical jungle, creating a home for an abundance of plants, animals and birds and making Panama’s wildlife the most diverse of all countries in Central America. Panama’s rugged landscape is laced with close to 500 rivers that originate as swift highlands streams, meander into valleys, and form costal deltas. Some of these rivers are dammed and constitute part of the Panama Canal.

CLIMATE: Panama has a tropical climate with temperatures and humidity that are uniformly high with little seasonal variation. During the dry season, temperatures only drop as low as 75°F in the early morning and reach a high of 86°F in the afternoon. Temperatures are cooler on the Pacific side of the country and markedly cooler in the mountains ranges. A breeze typically rises after dusk in most of the country. Panama’s climatic regions are defined more by variance in the amount of rainfall than variance in temperature, which ranges from 51 per to 118 inches per year. Nearly all of this rain...
falls during the rainy season, which typically takes place between April and December and is heavier on the Caribbean side of the country.

**History**

The area that is now the Republic of Panama was inhabited by several indigenous tribes prior to Spanish Settlement in the 16th century. In 1821 Panama gained independence from Spain after 300 years of Spanish rule and joined the Nueva Granada, Ecuador, and Venezuela in the Republic of Gran Colombia. Gran Colombia dissolved in 1831, and Panama remained joined with Nueva Granada as the Republic of Colombia.

In 1903, with the backing of the United States, Panama seceded from Colombia, which allowed the Panama Canal to be built by the U.S. Army Corps of Engineers between 1904 and 1914. The Hay-Bunau-Varilla Treaty gave the U.S. control over the canal region “as if it were sovereign.”

From 1903 to 1968 Panama was a constitutional democracy dominated by a commercially oriented oligarchy. During the 1950s, however, the Panamanian military began to challenge the hegemony of the oligarchy. The election of 1968 began a period of political corruption and unrest in the country. The tension and violence between the National Guard and the civilian government devolved into a military dictatorship initially backed by the United States.

A series of sanctions against the military regime by President Ronald Reagan led to a complete freeze on economic and military assistance to Panama and assets in all U.S. organizations, culminating with the U.S. invasion of Panama in 1989 to safeguard the lives of U.S. citizens in Panama, defend democracy and human rights, combat drug trafficking, and secure the neutrality of the Canal. This invasion, however, caused displacement, poverty, civilian death, and economic damage.

Panama’s Electoral Tribunal moved quickly to restore the civilian constitutional government in 1989, which has since sought greater transparency and to eliminate corruption.
GOVERNMENT

Panama is a presidential representative democratic republic with a multi-party system, whereby the President of Panama is both the Head of State and the Head of Government. Executive power is exercised by the government while legislative power is vested in the National Assembly. The Judiciary organ is independent of the Executive branch and the Legislature. These branches are defined by Panama’s Political Constitution of 1972; united in cooperation and limited through a system of checks and balances.

The dominant political parties in Panamanian history have been the PRD and the Panameñista (former Arnulfista Party). These parties were founded by charismatic and strong political enemies, Omar Torrijos (PRD)—the deceased father of the previous president, Martín Torrijos—and Arnulfo Arias (Panameñista/Arnulfista), late husband of the ex-president, Mireya Moscoso. Even though these leaders died years ago, their ideas and influence are present in every election.

Juan Carlos Varela (right), the current Panamanian President, was elected in May of 2014, earning more than 39% of the votes against his two opponents. Varela belongs to the Panameñista Party and served as the Vice President of the country from 2009 to 2014. The President of Panama is elected on a single ballot for one non-renewable five-year term by direct popular vote.

Panamanian politics have historically been corrupt. Lately, the Panamanian society and press are auditing and fighting for improvements. A sign of this is the lack of young vote in the referendum of October 22, 2006, showing a lack of confidence in Panamanian politics and politicians.

ECONOMY

On the Human Development Index, Panama ranked 58th in 2012. In recent years, Panama's economy has experienced a boom, with growth in real gross domestic product (GDP) averaging over 10.4% from 2006–2008. Panama's economy has been among the fastest-growing and best-managed in Latin America. As of 2012, Panama had an unemployment rate of 2.7%. A food surplus was registered in August 2008. Despite Panama's upper-middle per capita GDP, it remains a country of stark contrasts. Perpetuated by dramatic educational disparities, over 25% of Panama’s population lived in national poverty in 2013 and 3% of the population lives in extreme poverty.
Panama’s economy, because of its key geographic location, is mainly based on a well-developed service sector especially commerce, tourism, and trading. The canal is of major economic importance because it pumps millions of dollars from toll revenue to the national economy and provides massive employment. Additionally, copper and gold deposits are being developed by foreign investors, to the dismay of some environmental groups, as all of the projects are located within protected areas.

Tourism in Panama is rapidly growing. It has maintained its growth due to government tax and price discounts to foreign guests and retirees. These economic incentives have caused Panama to be regarded as a relatively good place to retire in the world. Real estate developers in Panama have increased the number of tourism destinations in the past five years because of the interest in these visitor incentives. In 2012, $4.3 million entered into the Panamanian economy as a result of tourism. This accounted for 9.5% of gross domestic product in the country, surpassing other productive sectors.

Panama has high levels of trade as a result of the Colón Free Trade Zone, the largest free trade zone in the Western Hemisphere. Last year the zone accounted for 92% of Panama’s exports and 64% of its imports. Panama’s economy is also very much supported by the trade and export of coffee and other agricultural products. The Bilateral Investment Treaty (BIT) with the United States protects US investment and assists Panama by creating conditions more favorable for US private investment and thereby strengthening the development of its private sector.

**Safety**

Panama remains relatively safe when compared to other Central American countries, yet crime rates are still higher than one would encounter in most of the United States. Violent crime in Panama started to rise in 2007, however, new efforts by Panama’s National Police (PNP) to combat this trend appear to have made an
impact. The number of homicides in the country has declined continuously since 2010. Unfortunately, the rate of simple theft has risen, with smart phones being a particular target. The three provinces with the largest cities also had the highest overall crime rates: Panama, Colon, and Chiriqui.

From time to time, there may be demonstrations to protest internal Panamanian issues or, more rarely, manifestations of anti-American sentiment by small but vociferous groups. While most demonstrations are non-violent, it is nonetheless a good security practice to avoid demonstrations. The Panamanian National Police have used tear gas and/or riot control munitions in response to demonstrations, particularly when roadways are blocked or aggression is used against the police.

Avoid travel to remote areas of the Darién Province off of the Pan American Highway. The general remoteness of the region contributes to potential hazards. While the number of actual incidents remains low, visitors are potentially at risk of violent crime, kidnapping, and murder in this area. There have been reports of Colombian terrorist groups, drug traffickers, and criminals operating in the Panama-Colombia border area. Similarly, U.S. citizens should not travel to the area of Panama referred to as the “Mosquito Coast,” an extremely remote and inaccessible area along the Panamanian north coast. Sections of this coastline are used for narco-trafficking and other illegal activities.

Crimes are typical of those that plague metropolitan areas and include shootings, rapes, armed robberies, muggings, purse-snatchings, thefts from locked autos by breaking windows for entry, thefts of unsecured items, petty theft, and occasionally “express kidnappings” from ATM banking facilities, in which the victim is briefly kidnapped and robbed after withdrawing cash from an ATM. There has also been a recent spike in the number of credit card and ATM card fraud reports. Criminals are capturing credit and ATM card information to clone and create fraudulent cards. Kidnappings have occurred in Panama City, many of which appear related to drug or criminal activity. In order to avoid such crimes the following is recommended:

- Do not carry large sums of money
- Keep a low personal profile - do not flash cash or wear expensive jewelry
- Be aware of pick-pocketing and armed robberies in large crowds
- Keep your smart phone on your person, preferably covered with a jacket or shirt
- Do not travel alone and avoid staying out past dark
- Do not leave passports or valuables in cars
- Stay alert to your surroundings - If you see something suspicious or that makes you uncomfortable, go back the way you came or get to a place of relative safety
- Lock doors and roll up windows while at stoplights or when car is not in motion
- Do not resist a robbery as it may turn violent
- Watch out for con artists who pose as U.S. citizens in distress and who ask for financial assistance
- Be aware of drinking as date rape drugs have been used in bars
- Use caution when taking taxis - use only licensed and registered taxis - regular taxis are yellow in color
- Do not use the public buses, especially the “Diablos Rojos” recycled school buses
- Do not accept an offer to share a taxi from fellow travelers
- Women should dress modestly to avoid extra attention
- Do not walk the beach at night; multiple females have been attacked in this scenario
- Be cautious when swimming or wading at the beach. Some beaches, especially those on the Pacific Ocean and those in Bocas del Toro Province, have dangerous currents that cause drowning deaths every year and often do not have posted warning signs or lifeguards
- Do not buy counterfeit and pirated goods, even if they are widely available

**Currency**

The Panamanian currency is officially the balboa, fixed at a rate of 1:1 with the United States dollar since independence in 1904 when it replaced the Colombian peso. In practice Panama is dollarized: US dollars are legal tender and used for all paper currency, while Panama has its own coinage called centésimos. Modern 1 and 5 centésimos and ⅟₁₀, ¼, and ½ balboa coins are the same weight, dimensions, and composition as the U.S. cent, nickel, dime, quarter, and half-dollar, respectively. Because of the tie to US dollars, Panama has traditionally had low inflation.

Balboa banknotes were printed in 1941 by President Arnulfo Arias. They were recalled several days later, giving them the name "The Seven Day Dollar". The notes were burned after the seven days but occasionally balboa notes can be found with collectors. These were the only banknotes issued by Panama and U.S. notes have circulated both before and since.

**Culture**

The largest ethnic group in Panama is the Mestizo (Amerindian and White) group, accounting for 65% of the country’s population. About 9% of Panama’s population is of African origin and 12% consists of Native Americans. There are several ethnic groups in Panamá such as Afro-Panamanian groups that include West Indies/Caribbean nationalities, in which thousands of Barbadian and Jamaican workers played a role in the construction of the Panama Canal. There has also been immigration of Arabs and
Asians, particularly Chinese, Lebanese, Palestinians, South Asians (from India and Pakistan) and Syrians.

The culture of Panama derived from European music, art and traditions that were brought over by the Spanish to Panama. Hegemonic forces have created hybrid forms of this by blending African and Native American culture with European culture. Dance is a symbol of the diverse cultures that have coupled in Panama. The local folklore can be experienced through a multitude of festivals, dances and traditions that have been handed down from generation to generation. Local cities host live reggae en español, reggaeton, haitiano (compas), jazz, blues, salsa, reggae, and rock music performances.

Outside Panama City, regional festivals take place throughout the year featuring local musicians and dancers. Another example of Panama's blended culture is reflected in the traditional products, such as woodcarvings, ceremonial masks and pottery, as well as in its architecture, cuisine and festivals. In earlier times, baskets were woven for utilitarian uses, but now many villages rely almost exclusively on the baskets they produce for tourists.

**CUISINE:** Panamanian Cuisine is a mix of African, Spanish, and Native American techniques, dishes, and ingredients, reflecting its diverse population. Since Panama is a land bridge between two continents, it has a large variety of tropical fruits, vegetables and herbs that are used in native cooking. Typical Panamanian foods are mildly flavored, lacking the pungency of some of Panama's Latin American and Caribbean neighbors. Common ingredients are maize, rice, wheat flour, plantains, yuca (cassava), beef, chicken, pork and seafood.

Sancocho, also known as sancocho de gallina, is Panama’s national dish. Originating from the Azuero region, it is a traditional soup (often
considered a stew) derived from the Spanish dish known as cocido. It usually consists of large pieces of meat, tubers and vegetables served in broth. The basic ingredients are chicken, name to add flavor and act as a thickener (giving it its characteristic texture and brightness), and cilantro to give it most of its characteristic flavor and greenish tone. Often yucca, corn on the cob, and otoe are added.

**RELIGION:** The government of Panama does not collect statistics on the religious affiliation of citizens, but sources estimate that between 75 and 85 percent of Panama’s populations identifies as Roman Catholic, with Catholics found at all levels of society throughout the country. The remaining 15 to 25 percent of the population identify as evangelical Christian, a population that is becoming increasingly prominent. There are also small Baha’i Faith, Mormon, Jewish, Buddhist, Hindu, Christian and Muslim communities in Panama. Panama’s constitution provides for freedom of religion, a right that has been largely respected by the country’s government.

**Traveler’s Etiquette:**

As a result of the strong Roman Catholic influence, Panama is socially conservative. The combination of a largely Catholic religious identity, economic stratification, and ingrained colonial legacies has produced a country full of people who respect and appreciate the rules and accept the established social caste.

Despite Panama being a liberated country with women in high positions of power, macho attitudes tend to prevail in Panama. Women traveling in Panama may experience unsolicited attention, particularly in the form of whistles and catcalls. It is best if this attention is simply ignored. For this reason and as a result of the conservative Catholic culture, revealing clothing is not tolerated, with the exception of on the beach.

Panamanians are stylish, and even the most casual dress in Panama tends to be formal as personal appearance and hygiene are a high priority. Despite the heat and humidity of the tropical culture, men and women dress to impress. It is neither common nor expected to see people wearing shorts and sandals. You can wear comfortable clothes, but it is best to try to maintain a stylish look, particularly in the cities.

When entering a place, Panamanians often greet each other with the words “Buenas,” even to strangers. In a more formal situation it is best to use “Buenos días” (good
morning) or “Buenas tardes” (good afternoon/evening). Men typically shake hands, while women hug or kiss one another on the cheeks. Do not shake hands too firmly because and can be considered aggressive. While touching each other while speaking is common in other Latin American countries, this is not typically the case in Panama. Titles are important to Panamanians and should be used when addressing people or greeting a professional. Don can be used for men and Doña can be used for women.

Tipping is only expected in more expensive places, where a tip is sometimes included in the final bill, or where service has been particularly good. It’s not usual to haggle in shops, but prices are more negotiable in markets, especially if you’re buying a lot, and you’ll often need to bargain when organizing transport by boat or pick-up truck.

People in Panama tend to be quite relaxed, and punctuality is not valued as it is in other countries. Lunch and dinner tend to be long (one to two hours), whether for business or leisure. Panamanians are quite social and will likely invite you to their homes. It is unlikely that they will let you pay, but you should bring a small gift to show your gratitude. As a curiosity, Panamanians use their lips to point at things. This gesture is similar to a kiss and is used instead of pointing with their fingers.

**COMMON WORDS AND PHRASES**

Spanish is the official and most dominant language in Panama, with 93% of the population speaking it as their first language. However, many citizens speak both English and Spanish or native languages. Below are some basic words and phrases:

<table>
<thead>
<tr>
<th>English Phrase</th>
<th>Spanish Translation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hello/Good bye</td>
<td>Hola/Adios</td>
</tr>
<tr>
<td>Nice to meet you</td>
<td>Mucho gusto</td>
</tr>
<tr>
<td>How are you?</td>
<td>¿Cómo estás?</td>
</tr>
<tr>
<td>I’m fine</td>
<td>Estoy bien</td>
</tr>
<tr>
<td>Thank you</td>
<td>Gracias</td>
</tr>
<tr>
<td>Please</td>
<td>Por favor</td>
</tr>
<tr>
<td>Where is....?</td>
<td>¿Dónde está...?</td>
</tr>
<tr>
<td>The bathroom</td>
<td>El baño</td>
</tr>
<tr>
<td>How much does it cost?</td>
<td>¿Cuánto cuesta?</td>
</tr>
<tr>
<td>My name is....</td>
<td>Me llamo...</td>
</tr>
<tr>
<td>Can you help me?</td>
<td>¿Me puede ayudar?</td>
</tr>
</tbody>
</table>
Do you speak English? ¿Hablas inglés?
I don’t speak Spanish No hablo español
Please speak slowly Por favor habla despacio
Repeat (polite/formal) Mande usted
Pardon/Excuse me Perdón/Disculpe
Where does it hurt? ¿Dónde te duele?

**PRINCIPAL CITIES**

**PANAMA CITY**
Panama City is Panama’s capital and largest city. The city is the political and administrative center of the country and an international hub for international banking and commerce. It has been ranked among the top five places in the world for retirement.

**AREA:** 106 sq miles (275 km²)

**WEATHER:** Annual average temperature: 81°F

**POINTS OF INTEREST:** Panama City sits between the Pacific entrance of the Panama Canal and the tropical rainforest of Parque Natural Metropolitano.

**COLÓN**
Colón is the largest port city in Panama. It is nestled at the mouth of the Panama Canal on the Caribbean side of the country and has traditionally been known as Panama’s second city. It was founded by Americans in 1850 as the Atlantic terminal of the Panama Railroad, then under construction to meet the gold rush demand for a fast route to California. It is the second largest Panamanian city by land area.

**AREA:** 247.4 sq miles (640.6km²)

**WEATHER:** Colón has a tropical monsoon climate with heavy rainfall from May to December

**POINTS OF INTEREST:** Colón is nestled at the mouth of the Panama Canal on the Caribbean side of the country. Fishing, surfing, snorkeling and scuba diving are popular activities.

**HEALTH STATISTICS**
According to CDC Global Health, Panama has an average life expectancy of 78.47 years. It infant mortality rate is 10.4 deaths/1,000 births. The birth rate is 18.3 births/1,000 population and the overall death rate is 4.8 deaths/1,000 population.
Panama has an intermediate degree of risk for major infectious diseases. The most common vector-borne disease in the country is dengue fever, while bacterial diarrhea is the most commonly experienced food/waterborne disease. Dengue fever is a mosquito-borne viral disease associated with urban environments. It manifests as sudden onset of fever and severe headache and occasionally produces shock and hemorrhage. Dengue fever outbreaks are common during rainy season. Currently, no vaccine or specific medication is available to prevent or treat dengue fever.

Healthcare in Panama is provided through a system through the government and a private sector. The public sector is funded through the Ministry of Health and the social security System. Problems with the public healthcare system are in the countryside where lack of funding creates a shortage of beds for their number of patients.

The majority of doctors prefer to live in Panama City where there are higher patient loads and more economic opportunity. EMS systems are primarily in Panama City where 911 service is available. Rapid tourism expansion further strains the response in remote areas. While limited medical coverage for tourists is available, many do not know about it or where to obtain their insurance card. Prices are significantly cheaper than in the United States or other highly developed nations, but in comparison to the average Panamanian wage is proportionally equal. Some doctors are highly trained in the United States, but few are board-certified. However, many are trained in high quality medical schools in Spain, Mexico, Panama, and a few in Cuba.